

Trade regulations

Aufgaben

- 1 Sum up the text. (Material)
(30 BE)

- 2 Taking the text as a starting point explain forms of economic state intervention promoting the domestic economy. (Material)
(40 BE)

- 3 Taking Trump's economic policies as a starting point, evaluate the consequences of trade agreements.
(30 BE)

Material**Confirmed: Trump's big U.S.-China trade deal was a flop (2022)**

"It just doesn't get any better than this," President Donald Trump proclaimed in January 2020 as he signed a partial trade deal with China. Mr. Trump heralded the pact as "historic" and "momentous." He touted¹ his dealmaking abilities for getting China to commit to purchase an extra \$200 billion of U.S. products in the next two years.

- 5 The results are in: China didn't buy anything extra from the United States.

The purchases of U.S. exports that China did make in the past two years barely got back to the amount China was purchasing in 2017 – before Mr. Trump started his trade war, according to calculations by Chad P. Bown of the Peterson Institute for International Economics. U.S. exporters will never get back the sales they lost, and few have seen any meaningful growth in their sales to China under the "deal."

- 10 "The only undisputed 'historical' aspect of that agreement is its failure," said Mr. Bown.

The main result of Mr. Trump's bluster² on trade was higher costs to the American public. Numerous studies have shown how tariffs were mostly passed along to American consumers, causing prices to rise on thousands of popular everyday items. It was a debacle that was easy to predict. Business leaders, economists and former trade officials from both parties warned the Trump White House repeatedly that the nation would have been better off without the trade war and the tenuous agreement that was ultimately reached with China (and not adhered to).

- 15 The smarter move would have been to keep the United States in the Trans-Pacific Partnership³, the big trade deal with other nations in the Pacific, including Vietnam, Singapore, Canada, Australia and Chile. The whole purpose of the TPP was to boost trade among other nations and lessen reliance on China, which was excluded from the deal. But Mr. Trump in his first week in office, and other nations went ahead and completed⁴ the trade pact on their own. In an ironic twist, China is now petitioning to join.

- 20 It's true that the pandemic didn't help. The destruction of business travel, tourism and students studying abroad helped fuel a big decline in U.S. services exports to China. Some of the few U.S. industries to see exports to China rise significantly in the past two years were covid-19-related products, semiconductors, liquefied natural gas, corn, wheat, pork and sorghum⁵. In the meantime, U.S. purchases on Chinese goods jumped last year as Americans spent heavily on home remodeling and home entertainment. Overall, 2021 was a record for the U.S. trade deficit, though that is largely a reflection of the strong economic rebound.⁶

- 30 The United States has just learned costly lessons about the futility of trade wars and how China can't be trusted to honor its deals. Now the Biden administration has to figure out how to hold Beijing to account for failing to fulfill its commitments. One conclusion ought to be clear: More tariffs are not the answer.

Ohne Autor: Confirmed: Trump's big U.S.-China trade deal was a flop, in: Washington Post, 13.02.2022, URL: <https://www.washingtonpost.com/opinions/2022/02/13/us-china-trade-deal/> (abgerufen am 18.02.2022).

¹ to tout – to try to persuade people that something is valuable by praising it

² bluster – to talk in an aggressive way

³ Trans-Pacific Partnership – TPP

⁴ to complete – *here*: to leave, to exit

⁵ sorghum – die Hirse

⁶ rebound – *here*: economic recovery